

Service Date: March 3, 1981

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER Of The Application	)	
of THE MONTANA POWER COMPANY For	)	UTILITY DIVISION
Authority To Issue And Sell Not	)	DOCKET NO. 81.2.8
To Exceed 1,500,000 Shares of No	)	ORDER NO. 4765
Par Value Common Stock.	)	

On February 4, 1981, The Montana Power Company (Applicant) filed with the Public Service Commission its verified application, pursuant to Section 69-3-501 through 69-3-507 of the Montana Code Annotated (MCA), seeking an order authorizing it to issue and sell not to exceed 1,500,000 shares of no par value Common Stock (Stock) . The Application is supported by exhibits and data in accordance with the Commission practice and rules and regulations governing the authorization of issuance of securities by public utilities operating within the State of Montana.

The application states that Applicant is a public utility, as defined in MCA Sec. 69-3-101, in that it furnished electric and natural gas service in the State of Montana; that Applicant's principal executive office is at 40 East Broadway, Butte, Montana; and that Applicant is duly qualified to do business in the States of Montana, Wyoming and in Idaho. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to the Application.

The Application states that:

(1) The Stock will be issued by negotiated public offering. The underwriters for the Stock will agree with Applicant on the price to be paid to Applicant for the Stock, the initial

public offering price thereof, and the cost of the issuance to Applicant.

(2) Because of uncertain conditions in the securities market, the details of the terms and conditions, including price to the public and the cost and proceeds to the Company, cannot be determined until the time of issuance. The proceeds to be received by Applicant from the issuance and sale of the Stock will depend upon the market price of Applicant's Stock at the time of issue and negotiation.

(3) The Application will be supplemented to supply (a) both the per unit and total price at which the Stock is to be purchased from Applicant from the underwriters; (b) both the per unit and total price at which the Stock is offered to the public by the underwriters; and (c) the effective cost of money to the Applicant on the proceeds from the sale.

(4) Expenses in connection with the issue of the Stock are estimated to be \$170,000.

(5) The purpose of the issue of the Stock is to provide Applicant with funds to be used (a) to repay short-term borrowings and (b) for other lawful corporate purposes.

The Application includes an opinion of counsel regarding the legality of the proposed issue, the other regulatory authorizations required and the propriety of the proposed issues. The Application has been supplemented, since initial filing, by submission of the Preliminary Prospectus and the Registration Statement, which includes the Final Prospectus, filed with the Securities and Exchange Commission in connection with the issuance of the Stock.

Notice of the filing of the Application has been given by publication in newspapers of general circulations in Applicant's utility service area.

Having fully considered the Application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following:

## FINDINGS OF FACT

1. That Applicant, The Montana Power Company, is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.
2. That Applicant is operating as a public utility, as defined in MCA §69-3-101, and, as such, is engaged in furnishing electric and natural gas utility service in the State of Montana.
3. That the Commission has jurisdiction over the subject matter of the Application under MCA §§69-3-501 through 69-3-507, inclusive.
4. That the issuance and sale of not to exceed 1,500,000 shares of no par value Common Stock proposed herein by Applicant, as hereinafter authorized, will be for a lawful purpose and are consistent with the public interest; that such issuance and sale is appropriate for and consistent with the proper performance by Applicant of service as a public utility; and that the aggregate amount of the securities outstanding, including the Common Stock subject to this proceeding, will not exceed the fair value of the properties and business of Applicant.
5. That public notice of the filing of the Application has been duly given; that opportunity to be heard with respect to the Application has been duly afforded; that due consideration has been given to the matters presented and filed in connection therewith; and that the Application should be approved as hereinafter ordered.

## CONCLUSION OF LAW

That the Application herein complies with NCA §§69-3-501 through 69-3-507, inclusive, and other laws of Montana as aforesaid and the same should be granted as hereinafter ordered.

## ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its office at 1227 11th Avenue, Helena, Montana, on the 2nd day of March, 1981, there regularly came before the Commission for final action the matters and things in this Docket. The Commission being fully advised in the premises makes and enters the following Orders:

IT IS ORDERED that the Application of Applicant, The Montana Power Company, for an order authorizing the issuance and sale of 1,500,000 shares of no par value Common Stock is hereby approved and the issuance and sale of such Stock be, and the same is, hereby authorized, subject to the provisions of this Order, pursuant to MCA §§69-3-501 through 69-3-507, inclusive.

IT IS FURTHER ORDERED that (a) both per unit and total price paid to the Company by the underwriters, (b) both the per unit and total price at which the Stock is initially offered to public by the underwriters, and (c) the effective cost of money to the Applicant be reported to the Commission, by telephone, at the time such factors are concluded for the Commission's approval.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of cost, or any other matter subject to its jurisdiction as provided by law.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana or pay or guarantee in any manner whatsoever any security authorized by this Order or authorized, issued, assumed, or guaranteed under the provisions of NCA §§69-3-501 through 69-3-507, inclusive.

Issuance of this Order does not mean acceptance of the Applicant's exhibits or other material accompanying the Application for any purpose other than in connection with this proceeding.

DONE IN OPEN SESSION at Helena, Montana, this 3rd day of March, 1981, by a 4 - 0  
vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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Gordon E. Bollinger, Chairman

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John B. Driscoll, Commissioner

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Clyde Jarvis, Commissioner

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Thomas J. Schneider, Commissioner

ATTEST:

Madeline L. Cottrill  
Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion For Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion For Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. The Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA, and Commission Rules of Practice and Procedure, esp. 38.2.4860, ARM.